

## APPENDIX B Project Finance Inputs

Offerors shall provide their financial assumptions input in fiscal year (FY) 2008 dollars. The Army's fiscal year is October 1 through September 30. The financial pro forma should also use a fiscal year format and should be inflated to reflect current year dollars.

### **1. Input Assumptions**

Item	Offeror Projections
<b>SCOPE</b>	
Number of New Construction Rooms Completed <u>By Installation</u> (for each year of the initial development period)	
Number of Renovated Rooms Completed <u>By Installation</u> (for each year of the initial development period)	
Number of Demolished/Returned to Installation Rooms <u>By Installation</u> (for each year of the initial development period)	
Number of Total Available Rooms <u>By Installation</u> (for each year of the initial development period)	
Number of End-State Rooms For Group A Project For First Year of Stabilized Operating Period By: - New Construction - Renovation - Total Rooms	
Start Month/Year of Initial Development Period <u>By Installation</u>	
End Month/Year of Initial Development Period <u>By Installation</u>	
<b>AVERAGE NEW BUILD CONSTRUCTION COST PER ROOM DURING INITIAL DEVELOPMENT PERIOD (FY 2008\$)</b>	<b>SHOW AVERAGE NEW BUILD CONSTRUCTION COST PER ROOM FOR EACH INSTALLATION, AS WELL AS FOR THE CONSOLIDATED GROUP A PROJECT</b>
<b>HARD COSTS</b>	
Building Construction	
Building Construction - Contingency	
Building Construction - Force Protection Allowance	
<b>SOFT COSTS</b>	
Base Development Management Fee	
Incentive Development Management Fee	
Initial Franchise Fee - (if proposed)	
Site Work Allowance	

Professional A&E Fees	
Pre-opening Training and Service Fees	
Working Capital and Cash Short Fall Reserves	
Opening Expendable Supplies	
Pre-opening Marketing	
Construction Period Insurance and Bonding	
Contingency and Overhead & Inspections	
<b>OTHER COSTS</b>	
Furniture, Fixtures, and Equipment	
Telephone System	
Property Management & IT Systems	
Landscaping Allowance	
Signage and Graphics	
Parking and Access Road Allowance	
Other Costs (if applicable)	Detail, if applicable
<b>TOTAL NEW CONSTRUCTION COST PER ROOM</b>	
<b>AVERAGE RENOVATION COST PER ROOM DURING INITIAL DEVELOPMENT PERIOD (FY 2008\$)</b>	<b>SHOW AVERAGE RENOVATION COST PER ROOM FOR EACH INSTALLATION, AS WELL AS FOR THE CONSOLIDATED GROUP A PROJECT</b>
Average Renovation Cost Per Room	
<b>INFLATION ASSUMPTIONS</b>	
Annual Per Diem Inflation %	
Annual Food Revenue Inflation % (if proposed)	
Annual Beverage Revenue Inflation % (if proposed)	
Annual Telephone Revenue Inflation %	
Other Annual Revenue Inflation % (if proposed)	Detail, if applicable
Annual Rooms Expense Inflation %	
Annual Food Expense Inflation % (if proposed)	
Annual Beverage Expense Inflation % (if proposed)	
Annual Telephone Expense Inflation %	
Other Annual Expense Inflation % (if proposed)	Detail, if applicable
<b>REVENUE ASSUMPTIONS (FY 2008\$)</b>	
Number of Official Traveler Room Nights Sold During <u>Each Year</u> of the Initial Development Period	
Number of Official Traveler Room Nights Sold For First Year of Stabilized Operating Period	

Number of Unofficial Traveler Room Nights Sold During <u>Each Year</u> of the Initial Development Period	
Number of Unofficial Traveler Room Nights Sold For First Year of Stabilized Operating Period	
Official Traveler Average Daily Room Rate For First Year of Stabilized Operating Period	
Unofficial Traveler Average Daily Room Rate For First Year of Stabilized Operating Period	
Combined Official & Unofficial Average Daily Room Rate For First Year of Stabilized Operating Period	
Food Sales Revenue POR For First Year of Stabilized Operating Period (if proposed)	
Beverage Sales Revenue POR For First Year of Stabilized Operating Period (if proposed)	
Telephone Sales Revenue POR For First Year of Stabilized Operating Period	
Other Operated Departments Revenue POR For First Year of Stabilized Operating Period	Detail, if applicable
Rental & Other Income Revenue POR For First Year of Stabilized Operating Period	Detail, if applicable
<b>EXPENSE ASSUMPTIONS (FY 2008\$)</b>	
Rooms Dept Expense POR For First Year of Stabilized Operating Period	
Telephone Expense POR For First Year of Stabilized Operating Period	
Food & Beverage Expense POR For First Year of Stabilized Operating Period (if proposed)	
Other Operated Departments & Rentals POR For First Year of Stabilized Operating Period	Detail, if applicable
Administrative & General Expenses PAR For First Year of Stabilized Operating Period	
Marketing Expense PAR For First Year of Stabilized Operating Period	
Real Estate/Property Taxes PAR (if applicable)	
Property Operations and Maintenance Expense PAR For First Year of Stabilized Operating Period	
Utilities Expense PAR For First Year of Stabilized Operating Period	
Building and Contents Insurance PAR For First Year of Stabilized Operating Period	
Annual Replacement Reserve as a % of	

Adjusted Gross Revenue	
Average Annual Capital Expenditure Cost (see Capital Expenditure definition in Appendix H) Per Room For Stabilized Operating Period	
<b>FEE ASSUMPTIONS</b>	
Annual Base Management Fee as a % of Adjusted Gross Revenue	(Show any ramp up of this fee)
Annual Franchise Fees As a % of Room Revenue (if proposed)	
Annual Incentive Management Fee as a % of Income Before Fixed Charges Less Replacement Reserves	
Base Development Management Fee as a % of Total Project Costs Excluding Transaction Costs	
Incentive Development Management Fee as a % of Total Project Costs Excluding Transaction Costs	
Construction Management Fee as a % of Hard Construction Costs	
Incentive Construction Management Fee as a % of Hard Construction Costs	
Other Fees (if proposed)	Detail, if applicable
<b>FINANCING ASSUMPTIONS</b>	
Debt Amount	
Debt as a % of Total Development Cost	
Equity Amount (if proposed)	
Equity Contribution as a % of Total Development Cost (if proposed)	
Cash on Cash Equity Return (if proposed)	
Loan Interest Rate(s)	
Debt Financing Index (i.e. 30 year LIBOR)	
Financing Spread Above Debt Financing Index (bps)	
Debt Amortization Period	
Debt Interest Only Period (if proposed)	
Refinancing Loan Amount & Interest Rate (if proposed)	
Ratio of Variable Rate Debt to Fixed Rate Debt (if proposed)	

## **2. Development Sources and Uses of Funds Format**

The offeror shall accurately show their development sources and uses of funds for each year of the Initial Development Period including the items listed below. The development sources and uses of funds should be consolidated for all installations in Group A.

<b>SOURCES:</b>	<b>AMOUNT (\$000)</b>
Equity Contributions (if proposed)	
Debt	
Excess of Revenues over Expenditures During the Initial Development Period (i.e interest, project cash flow from operations, etc.)	Please detail these sources if applicable
<b>TOTAL DEVELOPMENT SOURCES</b>	
<b>USES:</b>	
New Build Hard Costs	
New Build Soft Costs	
New Build Other Costs	
Renovation Hard Costs	
Renovation Soft Costs	
Renovation Other Costs	
Demolition	
Transaction Costs:	
<i>Insurance</i>	
<i>Consulting Fees (if any)</i>	
<i>Loan Origination Fees</i>	
<i>Architectural/Engineering (Project Level)</i>	
<i>Legal &amp; Accounting (Project Level)</i>	
<i>Closing Costs</i>	
<i>Contingency (if any)</i>	
Debt Service	
Other Uses (i.e. operating cash shortfalls, transition costs, commissions, reserves, credit support, etc.)	Please detail these costs if applicable
<b>TOTAL DEVELOPMENT USES</b>	

### **3. Financial Pro Forma – From LDMP Completion Through 50-Year Business Arrangement Term**

The offeror shall accurately show their operating statement of revenues and expenditures (i.e. pro forma) for the 50-year term of the project, in the format provided, commencing with the start of the Initial Development Period. Offerors should provide the operating statement of revenues and expenditures electronically in an excel format with functional cell formulae in place.

The offeror should submit 12 separate pro forma: an individual pro forma for each of the 11 installations, as well as a consolidated pro forma for the Group A project. Each pro forma should have two worksheets, the first worksheet should be presented in a monthly format (not to exceed 60 months) for the Initial Development Period and shall conform to the offeror's anticipated Initial Development Period. The second pro forma worksheet should be the offeror's pro forma presented in a yearly format (years 1 – 50) for the 50-year project term. The offeror will ensure that the monthly and yearly formats are functionally linked.

The Army's fiscal year commences 1 October and concludes 30 September of each year, the offerors' submitted pro forma shall conform with the Army's fiscal year. An example of the format for the pro forma (during the Initial Development Period) is provided below.

For the pro forma, the offeror should not include or assume any anticipated transient occupancy tax or sales tax. In addition, the offeror should describe any impact on the funds available for Capital Expenditures or the Reinvestment Account from income taxes and any anticipated income tax mitigation strategies.

Note: For the pro forma, **Capital Expenditures** and **Reinvestment Account** inputs and expenses should be consistent with the definitions of these terms as defined in Appendix H (Glossary).

Year	1	1	1	1	1	1	1	1	1	1	1	1
Month	1 – Oct	2 – Nov	3 – Dec	4 – Jan	5 – Feb	6 – Mar	7 – Apr	8 – May	9 – Jun	10 – Jul	11 – Aug	12 – Sep
Year of Operation	2007	2007	2007	2008	2008	2008	2008	2008	2008	2008	2008	2008
Occupancy												
Rooms Available												
ADR												
	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount
<b>Departmental Revenues</b>												
Rooms - Official												
Rooms - Unofficial												
Food (if applicable)												
Beverage (if applicable)												
Telephone												
Other Operated Departments (if applicable)												
Rentals & Other Income												
<i>TOTAL</i>												
<b>Departmental Expenses</b>												
Rooms												
Food & Beverage (if applicable)												
Telephone												

Year	1	1	1	1	1	1	1	1	1	1	1	1
Month	1 – Oct	2 – Nov	3 – Dec	4 – Jan	5 – Feb	6 – Mar	7 – Apr	8 – May	9 – Jun	10 – Jul	11 – Aug	12 – Sep
Year of Operation	2007	2007	2007	2008	2008	2008	2008	2008	2008	2008	2008	2008
Occupancy												
Rooms Available												
ADR												
	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount
Other Operated Departments (if applicable)												
<i>TOTAL</i>												
<i>NET OPERATING DEPARTMENTAL INCOME</i>												
<i>(DEPT REVENUES LESS DEPT EXPENSES)</i>												
<b>Undistributed Operating Expenses</b>												
Admin. & General												
Base Management Fee												
Incentive Management Fee												
Marketing												
Property Operations & Maintenance												
Franchise Fee (if applicable)												
Utilities												
<i>TOTAL</i>												



Year	1	1	1	1	1	1	1	1	1	1	1	1
Month	1 – Oct	2 – Nov	3 – Dec	4 – Jan	5 – Feb	6 – Mar	7 – Apr	8 – May	9 – Jun	10 – Jul	11 – Aug	12 – Sep
Year of Operation	2007	2007	2007	2008	2008	2008	2008	2008	2008	2008	2008	2008
Occupancy												
Rooms Available												
ADR												
	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount
<i>INCOME BEFORE FIXED CHARGES</i>  <i>(NET DEPT INCOME LESS OPERATING EXPENSES &amp; FEES)</i>												
<b>Fixed Charges</b>												
Real Estate & Property Taxes (if applicable)												
Building and Contents Insurance												
Replacement Reserves												
Rent (if applicable and not \$1.00 per year)												
Other Charges (if applicable)												
<b>TOTAL</b>												
<i>NET OPERATING INCOME</i>  <i>(INCOME BEFORE FIXED CHARGES</i>												

Year	1	1	1	1	1	1	1	1	1	1	1	1
Month	1 – Oct	2 – Nov	3 – Dec	4 – Jan	5 – Feb	6 – Mar	7 – Apr	8 – May	9 – Jun	10 – Jul	11 – Aug	12 – Sep
Year of Operation	2007	2007	2007	2008	2008	2008	2008	2008	2008	2008	2008	2008
Occupancy												
Rooms Available												
ADR												
	<b>Amount</b>	<b>Amount</b>	<b>Amount</b>	<b>Amount</b>	<b>Amount</b>	<b>Amount</b>	<b>Amount</b>	<b>Amount</b>	<b>Amount</b>	<b>Amount</b>	<b>Amount</b>	<b>Amount</b>
LESS FIXED CHARGES)												
<b>Debt Service &amp; Equity</b>												
Debt Service												
Equity Return (if applicable)												
<b>TOTAL</b>												
<b>CASH AVAILABLE FOR DISTRIBUTION</b> <b>(NET OPERATING INCOME LESS DEBT SERVICE &amp; EQUITY)</b>												
<b>Capital Expenses</b>												
Capital Expenditures												
<b>TOTAL</b>												

Year	1	1	1	1	1	1	1	1	1	1	1	1
Month	1 – Oct	2 – Nov	3 – Dec	4 – Jan	5 – Feb	6 – Mar	7 – Apr	8 – May	9 – Jun	10 – Jul	11 – Aug	12 – Sep
Year of Operation	2007	2007	2007	2008	2008	2008	2008	2008	2008	2008	2008	2008
Occupancy												
Rooms Available												
ADR												
	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount
CASH AVAILABLE IN REINVESTMENT ACCOUNT												
(CASH AVAILABLE FOR DISTRIBUTION LESS CAP EXPENSES)												
<b>Reinvestment Account</b>												
Beginning Balance												
Interest Proceeds												
Deposits												
Withdrawals												
Ending Balance												